



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

August 19, 1999

INFORMATIONAL MEMORANDUM: R&D-99-036

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Tim B. Witt /s/ Tim B. Witt
Deputy Administrator

SUBJECT: Pilot Coverage Enhancement Option (CEO) for the 2000/2001 Crop Years Now Available on the Reporting Organization (RO) Server

BACKGROUND:

The Risk Management Agency (RMA) has placed the Pilot Coverage Enhancement Option (CEO), applicable Producer Premium Percentage Tables, and Questions and Answers on the RMA WebSite/Reporting Organization (RO) Server for the crops and crop years listed below. These files are available in both Acrobat PDF and WordPerfect WPD formats. The information is available on RMA's WebSite at <http://www.act.fcic.usda.gov/policies/2000policy.html>, or through the RO Server under the /Policies/2000/crops directory. CEO requires new Producer Premium Percentage Tables that are available on RMA's WebSite at <http://www.act.fcic.usda.gov/FTP/Reference/prodpremprent>. Actuarial documents that have already been filed will not be refiled to reflect the availability of CEO. However, the Actuarial Data Master (ADM) will be modified to reflect this option.

CEO is an option that attaches to a crop's Multiple Peril Crop Insurance (MPCI) policy provisions. If a loss is payable under the MPCI policy, this option retroactively reduces the MPCI deductible, thereby increasing the amount of coverage and indemnity.

Draft changes to Manual 13 incorporating CEO information will be available for company comment the week of August 16, 1999, on RMA's WebSite at <http://www.act.fcic.gov/actuarial/draft2000.html>.



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The Risk Management Agency Administers and Oversees
All Programs Authorized Under the Federal Crop Insurance Corporation

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For insureds to obtain CEO coverage, an insurance application identifying the option code “CE” and the CEO coverage level percent elected must be completed by the crop’s sales closing date. The option code “CE” should appear at the end of the common option code data string for electronic data transmission purposes. CEO does not change the common option factors under the MPCCI policy.

The pilot CEO program is available for the following crops, States, plans of insurance, beginning with the crop year shown:

<u>Crop</u>	<u>State*</u>	<u>Insurance Plan</u>	<u>First Crop Year</u>
Apples	Pennsylvania	86	2000
Apples	Washington	86	2000
Canola	North Dakota	90	2000
Citrus Fruit	Florida	50	2001
Citrus Fruit	Texas	86	2001
Citrus Trees	Texas	50	2000
Cranberry	Massachusetts	90	2000
Grapes	Pennsylvania	86	2000
Grapes	Washington	86	2000
Potatoes	Idaho	90	2000
Potatoes	Maine	90	2000
Potatoes	Pennsylvania	90	2000
Rice	Arkansas	90	2000
Rice	Louisiana	90	2000
Rice	Mississippi	90	2000
Stone Fruit	California	90	2000
Walnut	California	86	2000

* CEO is available in each county within the State for which actuarial documents for the crop and plan have been filed, beginning with the crop year shown above.

ACTION:

Insurance providers are to inform all agents eligible to sell CEO coverage of its availability, terms, and conditions.

DISPOSAL:

This informational memorandum is for the purpose of transmitting information and the expiration date is December 31, 1999.